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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Investigation into procurement and system reliability issues deferred from D.86-12-010.	I.87-03-036 (Filed March 25, 1987)
Order Instituting Rulemaking into natural gas procurement and system reliability issues.	R.88-08-018 (Filed August 10, 1988)

OPINION ON ISSUES REMAINING AFTER WORKSHOP ON UTILITY IMPLEMENTATION PLANS FOR GAS STORAGE BANKING PILOT PROGRAM

By Decision (D.) 88-11-034, we adopted a gas storage banking service to be offered by Pacific Gas and Electric Company (PG&E) and Southern California Gas Company (SoCal), to whom we refer collectively as the local distribution companies (LDCs). The full-scale "regular" service will start with the 1990-91 injection/withdrawal cycle. However, for 1989-90, we approved a more modest "pilot program." This program starts on April 1 (the usual beginning date of the LDCs' gas injection season). The pilot program has most of the features of the regular storage banking service but will involve a limited amount (about 15%) of the LDCs' gas cycling capability.

D.88-11-034 established an implementation schedule for the pilot program. Pursuant to that schedule, the LDCs filed implementation plans on December 2, 1988, and other parties filed their comments on December 21. Two days of workshops were held on January 11 and 12, 1989. The purpose of these workshops was to gain a fuller understanding of the LDCs' implementation plans, and to discuss problems or objections. Commission Advisory and Compliance Division (CACD) representatives chaired the workshops and coordinated preparation of a report (January 25, 1989)

summarizing agreements reached and the issues needing resolution by Commission decision.

Today, we issue two decisions that resolve these issues. The present decision handles most of these issues. Another decision addresses the remaining applications for rehearing and petitions for modification of D.88-11-034.[1]

Nomination Timing

The utilities have proposed to require monthly gas storage nominations of gas four days (PG&E) and five days (SoCal) in advance of the beginning of the month. Transportation nominations for both companies have a lead time of two days. The two-day requirement is an accepted industry standard.

The gas industry spot market revolves around purchases at the beginning of each month. Heavy bidding occurs at this time, causing much competition for the best prices. PG&E requires a four-day lead time, before the start of each month, from its noncore procurement customers, so that it may know how much gas it needs to secure. SoCal has no current requirement.

Both PG&E and SoCal argue that additional lead time is necessary for storage injection planning. In particular, PG&E argues that it is constrained due to lack of storage space. If the utilities have a longer lead time, they can plan their operational capacity sequencing for the target day/month more efficiently. They can sequence their purchases of core and noncore procurement gas first, then add the nominated transport gas, and finally, fill-in behind to use the full capacity of the pipe for the day.

We believe that the banking service is properly viewed as an adjunct to gas transportation, and as such, the two-day lead

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1 A prior decision (D.89-01-017) dealt with the petitions for modification filed by California Industrial Group (CIG) and by PG&E and SoCal, to the extent that the latter two petitions concerned the pilot program.

time presently used for transportation nominations at the beginning of the month is also appropriate for banking services. The LDC needs a longer lead time from a procurement customer, since the LDC's own bid must take that customer's needs into consideration. In contrast, the LDC may or may not bid differently, based on nominations by banking customers. However, we make an exception for nominations for off-season withdrawals: the LDC may require a monthly nomination for such withdrawals to be made four days in advance of the beginning of the month. (See "Seasonality" below.)

Seasonality

PG&E and SoCal propose to put seasonal limitations on gas storage banking. In other words, a banking customer could only order "deposits" during the injection season (April 1 through October 31). SoCal would allow "deposits" during the withdrawal season (November 1 through March 31); PG&E would not.

The LDCs have different justifications for their seasonal restrictions. PG&E has relatively little cycling capability in its storage fields, so it would have to meet off-season withdrawals from flowing supply. PG&E asserts this would interfere with its procurement strategy and jeopardize the price and reliability functions of storage for its core portfolio customers.

SoCal cites accounting problems, rather than physical constraints, as justification for the withdrawal restriction during its injection season. SoCal simply has not had sufficient time to develop the billing and reporting computer mainframe system that would allow flexible injection and withdrawal capability. SoCal plans to have such a system in place when the regular banking program begins (April 1, 1990).[2] In the meantime, SoCal offers banking customers the option of injecting all their storage gas in one month (if possible), in lieu of having to provide uniform daily

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2 During the pilot program, SoCal will use personal computers to bill and account for nominations.

amounts through the entire injection season. Also, SoCal would consider manual billing of a few accounts for both injection and withdrawal nominations, but requests an opportunity to report its assessment of this proposal in its first progress report (due May 1, 1989) on the pilot program.

Virtually all commenting parties oppose the seasonal limitations. Some parties debate the degree to which the LDCs' accounting burden would be increased by deleting seasonal limitations.[3] Several parties dispute PG&E's claim of adverse impact on core procurement customers. For example, Edison says that core gas costs would increase only in the unlikely case that incremental gas prices were higher in summer than in winter. SCUPP/IID note that utility electric generation (UEG) customers are among the most likely users of the banking service, and their peak usage comes in summer, not winter. SCUPP/IID also note that the smog problem in the Los Angeles Basin is typically worst during August through October: thus, precluding withdrawals until after November 1 would deprive UEG customers of access to stored gas precisely when they might need it most.

3 Also, they note that the accounting burden correlates with the number of banking customers. If, as several parties assert, the pilot program will attract only a few banking customers, then the LDCs should be able to provide banking service without limitations on off-season deposits and withdrawals.

We firmly believe that banking service should not have seasonal limitations. The LDCs' own storage activities do not have such limitations. The terms "injection season" and "withdrawal season" are terms of art, not physical requirements. For example, the LDC generally withdraws gas during the winter months but may choose not to do so, depending on weather, price, and other factors.[4]

Moreover, some of the most important prospective banking customers, such as UEG customers, experience peak demand during the injection season. The need to ensure an adequate supply of gas during August and September, when the smog situation in the Los Angeles Basin is generally most acute, is amply demonstrated by last summer's experience. This heavy summer demand for gas is also valuable to the LDCs in balancing the core market's winter peak and maintaining a high year-round load factor.

Finally, we do not believe that allowing a banking customer to draw down its account during the injection season would somehow compromise the LDCs' storage operations, as PG&E alleges. Since PG&E has relatively little cycling capability, it would probably meet off-season withdrawal requests through flowing supply; however, such "withdrawals" should not be any harder to meet than the demands of summer-peaking customers that PG&E already deals with.[5]

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4 An examination of a daily report from SoCal is illustrative. This year, on February 9, with a six station average in SoCal's service area reporting a mean temperature of 49°F., SoCal withdrew about 1.3 billion cubic feet from storage. Last year, on February 11, with the six station average mean temperature at 68°F., SoCal injected almost 500 million cubic feet into its four largest fields.

5 Similarly, an off-season deposit can be met simply by reducing the rate of storage drawdown. SoCal agrees that injection nominations are acceptable in any month, and PG&E provides no good reason to treat it differently.

We are more sympathetic to SoCal's desire to have a mainframe program, tested and in place, before it is required to offer complete flexibility in banking deposits and withdrawals. We stress that our intention is to provide such complete flexibility no later than the start of the regular banking program in April 1990. As a compromise, we provide for limited off-season withdrawals during the pilot program. Starting August 1 (in other words, for the last three months of the injection season), withdrawals will be allowed by at least UEG and cogeneration customers. Our strong preference, in fact, is that all banking customers be permitted to nominate withdrawals at that point, if the size and number of banking accounts and the number of banking customers interested in off-season withdrawals would reasonably allow this. Accordingly, the LDCs' bid solicitations shall ask the prospective banking customer to indicate its interest in off-season withdrawals and the approximate timing and volume of such withdrawals.

We place no special restrictions on the banking customer's ability to nominate gas for deposit in winter. However, we note that PG&E, at least, will likely have to fulfill summer withdrawal nominations through PG&E's flowing supply. This justifies a longer lead time for monthly nominations for off-season withdrawals, as an exception to the two-day rule discussed above. Therefore, we authorize the LDCs to require that monthly nominations for withdrawals during August, September, or October be made not less than four days before the beginning of the month.

Accounting for Injections and Withdrawals

The LDCs propose a first in/first out treatment for storage banking gas. Concerning injections, a customer's gas would be allocated first to banking, with the remainder allocated to delivery (procurement or transportation service, as appropriate). Concerning withdrawals, usage would be allocated first to banking and the remainder to transportation. Commenters agree with the

general appropriateness of this approach, but some commenters want the customer to have the flexibility to determine a different accounting procedure.

Given that we are setting up pilot programs, and that most customers will want storage-first sequencing, we see no compelling reason to incur at this time the additional cost and complexity that the desired flexibility would involve. However, this accounting flexibility may be desirable for the regular banking service. The utilities should address the demand for the feature, and the practicality and cost of offering it, in their reports on the pilot programs.

Notice of Imbalances

SoCal proposes to apply imbalance charges starting 30 days after the end of the month in which the customer received notice of the imbalance. PG&E proposes that such charges apply 30 days after the notice is given. Virtually all commenters support SoCal's notice procedure.

In D.88-11-034, we specified a 30-day grace period but did not indicate the date from which the 30 days should start to run. However, SoCal's proposal is more in line with industry practice and provides more flexibility to the customers. Also, since we are adopting the LDCs' storage-first accounting for banking deposits and withdrawals, we expect that most imbalances will be for transportation, not storage. As a result, there should be no significant costs or adverse operational impacts on PG&E's storage activities due to implementing SoCal's proposal. We direct both LDCs to implement SoCal's notice procedure.

Force Majeure, Curtailment of Banking Services

Various parties urge, contrary to D.88-11-034, that banking customers should be excused from payment of reservation fees if banking services are curtailed due to events beyond the customers' control (e.g., interruptions on interstate pipelines, the LDC using total withdrawal capability for the benefit of core

portfolio customers). The LDCs support the decision as written, and we are not disposed to change it at this time.

To provide banking customers with more than "best efforts" assurances of performance by the LDC is a worthwhile goal but not feasible for the pilot program. As SoCal points out,

> "[t]he probability of an event of force majeure lasting six months, or absolutely precluding a customer from performing, is extremely unlikely. From an operations perspective, prorating reservation fees would also be difficult to define and administer. If a customer could not deliver on several days, that would not preclude him from performing on others, yet arguably reservation fees would be prorated."

We also do not relish the possibility of having to adjudicate what was or was not force majeure, particularly on the interstate pipelines.

In their joint comments, Salmon Resources Ltd. and Mock Resources, Inc. (Salmon/Mock), concede that:

> "the Commission has ruled that '[g]as banked for...noncore loads should not be permitted to interfere with service reliability for core loads or otherwise increase the cost of serving core portfolio customers.' Nevertheless some limitation must be imposed upon PG&E's ability to use storage for the economic benefit of the core portfolio. Such a limitation, if properly developed, should provide storage banking customers with some reasonable assurance that they will have access to their banked gas at times of the year when PG&E is likely to withdraw gas for the economic benefit of core procurement customers." (Citation omitted.)

Salmon/Mock do not propose such a limitation, and we doubt that one could be developed in time for the pilot program. A more fundamental problem with the Salmon/Mock proposal is fairness to the core, at whose expense the "reasonable assurance" to banking customers must necessarily come. We believe that the proposed

limitation should provide some appropriate compensating benefit for core portfolio customers.

In the absence of more than "best efforts" assurance, we continue to emphasize that the prospective banking customer needs to assess the risks involved in assessing the desirability of the service and the level of banking reservation fee that the customer is willing to bid.

The LDCs indicate that they are unable to give prior written notice of a curtailment of banking services, as some parties had requested. SoCal provides the following explanation:

> "When SoCal is implementing either a supply or capacity curtailment, it may be possible for banking customers to withdraw their previously banked gas even though their end-use volumes are curtailed. If SoCal needs the full deliverability from its fields, withdrawal of banked gas will not be allowed. This is not usually the case. In most curtailments, inventory rather than deliverability is of concern. If SoCal must curtail banked gas, there will not be adequate time to provide written notice."

We allow the LDCs to curtail banking services without prior written notice; however, we expect the LDCs to make every effort to give prior actual notice of curtailment, including written notice where practicable.

Variable Cost Component of Banking Fees

D.88-11-034 (mimeo. p. 37) noted that the variable cost component for the pilot program "follows the approach for the regular banking service." This created confusion because the variable costs for the regular service are computed after consideration of the LDC's initial storage target; however, the pilot program does not involve such a target. All we meant by our statement was that variable costs for both the pilot programs and the regular service would include injection energy, variable O&M, and a factor for uncollectibles. The actual calculation of these

costs was governed by the next sentence: "The variable cost component will be determined on a forecast basis, and using average costs." (Emphasis added.) In other words, the per unit banking cost should be determined as the average cost for all storage volumes (whether customer-owned or LDC-owned) projected to be cycled during the pilot program. PG&E and SoCal both erroneously treat variable costs associated with banking gas on an incremental basis. They should re-do their calculations on an average cost basis.

Uncollectibles

In D.88-11-034, we directed that a factor for uncollectibles should apply to the cost-based charges collected from all banking customers. SoCal would apply this factor to banking reservation fees as well; PG&E would not. PG&E is correct.

We deliberately excluded reservation fees from those charges to which a factor for uncollectibles would apply. Reservation fees are based on value to the customer, not on cost incurred by the LDC, and are credited back to noncore customers. Since reservation fees are not tied to the LDC's revenue requirement, any nonpayment of those fees will not cause a revenue shortfall.

Billing Disputes

Agreement was reached in the workshops that billing disputes should be handled under the LDCs' existing rules. We endorse this result and note that this is consistent with our transportation program. We recognize that different services may involve different kinds of billing disputes; however, a simple procedural mechanism for dispute resolution (such as SoCal's tariff rule 5) seems suitable to a broad range of circumstances.

Credit Applications and Brokers/Producers/Shippers

During the pilot program, brokers/producers/shippers may not bank on their own account but may act as agents for end-users. PG&E does not propose to require customers' agents to complete a

credit application, since the banking service account will be in the name of the end-use customer. SoCal plans not to have contracts with end-users that have brokers et al. arrange for storage service, so SoCal would require the agent to complete a credit application. Also, SoCal notes that brokers et al. have asked to be able to aggregate the banking accounts of their various end-user customers; if this is allowed, then specific gas volumes would not be identified to specific end-users.

We agree with PG&E: banking service accounts should be in the name of the end-use customer. However, to the extent that SoCal allows aggregation by brokers et al., then SoCal has a legitimate need to require establishment of credit by such an agent. In these circumstances, SoCal may require the agent to comply with SoCal's tariff rules 3 and 5.

Standby Charges

Under D.88-11-034, one of the load-balancing remedies available to the LDC where less gas shows up than the LDC has been led to expect is to fill the unused banking volume up to the 10% tolerance, billing the banking customer for the LDC's gas at the rate for the proposed "standby service." (See Order Instituting Rulemaking 88-08-018, mimeo. pp. 12-15, and Appendix B of that order.)

As of today's decision, the Commission has not taken final action on the standby service proposal. The LDCs' banking tariffs should indicate that, upon Commission approval of standby service, the LDC may apply a standby charge whenever it chooses to deposit gas to a banking customer's account to bring that account within the 10% tolerance.

Priority of Off-system Banking Customers

Off-system customers may bid for and obtain banking service on the same basis as end-users within the LDC's own service territory. We reject SoCal's apparent position that banking service from SoCal would be available only after satisfying banking

requests from within SoCal's system. However, consistent with our interutility transportation service, banking service to off-system customers should be curtailed before banking service to customers on the LDC's system.

Franchise Fees

The LDCs differ on whether these fees should be collected from banking customers during the pilot program. PG&E sees no need to collect them, since all revenues during the pilot program would be credited back to noncore customers. SoCal asserts that the failure of D.88-11-034 to provide for collection of these fees was an oversight on the part of the Commission.

Actually, SoCal's implementation plan is the first mention of franchise fees in the record before us. We agree with PG&E that franchise fees, which are set on a forecast basis during general rate cases, should not be collected during the pilot program. However, the banking service will result in gross revenues (the basis on which franchise fees are computed) to the LDC. Accordingly, franchise fees should be collected as part of the regular service, starting April 1990.

Customers with Multiple End-use Priorities

Southern California Edison Company (Edison) urges that (1) a noncore customer with multiple end-use priorities should be able to designate the end-use priority of the gas that it banks, and (2) that these priorities should be used in allocating injection and withdrawal capacity among banking customers. We agree with Edison. In fact, we think Edison's position follows directly from our discussion in D.88-11-034, mimeo. pp. 27-28:

> "For customers within a given category of banking service, we do not establish a new priority mechanism. Instead, if the LDC experiences a capacity constraint anywhere on its system (in the storage fields or on its pipelines) such that the LDC cannot move banked gas, then the LDC will curtail all regular banking customers based on the existing noncore priorities (P2B-P5) of the respective

> customers, to the extent necessary after fully curtailing its as-available banking service. A curtailment affecting only as-available banking service would likewise be carried out on the basis of existing noncore priorities, except that brokers/suppliers would be curtailed first. These rules apply whether the constraint affects banking 'deposits' or 'withdrawals.'" (Emphasis added.)

PG&E appears to accept Edison's position. PG&E notes that its transportation agreements allow customers to transport for separate end-users as long as the end-use and facility are specified. PG&E would allow the same latitude to banking customers.

SoCal opposes the Edison position. SoCal claims that it would also curtail banking service according to end-use priority, but for a banking customer with multiple end-use priorities, SoCal - not the customer - would determine the allocation of banked volumes among the priorities. SoCal proposes to perform this allocation for UEG customers based upon peak day consumption, and for non-UEG customers based upon end-use priority peak requirements shown in the customers' respective gas service contracts.

Edison points out several problems with SoCal's allocation approach. For example, it does not cover the situation where the non-UEG customer does not have a gas service contract with SoCal, nor has SoCal explained why one allocator should be used for UEG customers (banking priority based on actual consumption) and another for non-UEG customers (banking priority based on the service contract).

We agree with Edison that SoCal's proposed allocator would need further elaboration even were we disposed to adopt it. Moreover, SoCal (like PG&E) already allows its transportation customers with multiple end-use priorities to allocate their transport volumes among those priorities (See paragraph D.1 of SoCal's Rule 30). As we said earlier in today's decision,

regarding timing of nominations, we believe that storage banking is basically an adjunct to gas transportation. Edison's position is consistent with that principle.[6]

Finally, we also agree with Edison that, in curtailing banking service to customers having the same end-use priority, the LDC should prorate such customers based upon their respective reservations of banking capacity.

Consistency with Decision 89-02-034

We recently approved a stipulation between SoCal, Mock, and CIG relating to the LDCs' use of their interruptible transportation capacity on the interstate pipelines. Basically, the stipulation is designed to alleviate certain difficulties encountered by California noncore customers and their suppliers in the transportation program. Among other things, the stipulation allows a noncore customer to exceed the maximum daily quantity (MDQ) in its transportation agreement with the LDC, subject to the LDC's discretion, and on the condition that it may exceed its MDQ only in order to make up for prior underdeliveries during the current month. The stipulation supersedes SoCal's nonperformance "capping" rule, which would preclude such a "make up."[7]

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6 Salmon/Mock indicated at the workshop that brokers may well prefer not to specify banking volumes by end-use priority at the time of injection. The lack of specification enables the broker to perform in the role of supply aggregator for its end-use customers. However, the broker would have to designate the end-use customer and priority at the time of withdrawal, which gives the LDC the information it needs to administer a curtailment of banking withdrawals. While a curtailment of banking injections could also occur, we believe it is less likely. SoCal should discuss this problem with Salmon/Mock and propose an appropriate method for dealing with it in SoCal's May 1, 1989, progress report on the pilot program.

7 PG&E does not have an analogous capping rule.

Salmon/Mock ask that the "make up" provision of the stipulation be extended to the storage banking program. We believe this is logical although not likely to be often needed, given the accounting treatment for injections and withdrawals that we have approved here. Accordingly, the "make up" provision of D.89-02-034 shall supersede SoCal's nonperformance capping rule for purposes of the gas banking pilot program, and so long as the "make up" provision continues in effect.[8]

Overdeliveries

Salmon/Mock urge us to protect the confidentiality of end-use customers' gas supply contracts by deleting reference to those customers' cost of gas in the list of the utilities' remedies in case of overdeliveries not made up.

For the pilot program, we adopt Salmon/Mock's recommendation. D.88-11-034 (Section IV.F) provides a set of options sufficiently flexible for LDCs to use in handling persistent positive imbalances without the need for customers' divulging their own cost of gas, and we wish to use the pilot program to gain experience in the use of those other options. We will modify D.88-11-034 to remove reference to customers' cost of gas during the pilot program.

We note also that the issue of positive imbalances has arisen in the context of our gas transportation program, and we expect a resolution of the issues concerning utility remedies for these circumstances in our final order in R.88-08-018.

Findings of Fact

1. The gas storage banking service is properly viewed as an adjunct to gas transportation service. The two-day lead time

8 Under D.89-02-034, the stipulation was approved as an interim measure that expires August 31, 1989, unless extended by further order of the Commission.

presently used for transportation nominations at the beginning of the month is also generally appropriate for banking service. An exception to the latter generalization is where the banking customer seeks to make a withdrawal during what is normally the injection season.

2. UEG customers are among the most likely users of the gas banking service, and their peak usage comes in summer. Also, the smog problem in the Los Angeles Basin is typically worst during August through October. Thus, precluding withdrawals until after November 1 would deprive UEG customers, and the public they serve, of access to banked gas precisely when the need for such gas is likely to be greatest.

3. "Injection season" and "withdrawal season" are generalizations about the timing of these operations at the LDCs' storage fields. They are terms of art, not physical requirements of the fields on particular dates during the year.

4. PG&E would likely meet nominations for off-season withdrawals from PG&E's flowing supplies rather from its storage fields. This seems feasible and should have no negative impact on PG&E's storage or procurement activities, particularly with a four-day lead time for such withdrawal nominations at the beginning of the month.

5. The LDCs' proposal for allocating customer-owned gas first to the customer's banking account (if any) and then to immediate delivery seems generally appropriate and is adequate for the pilot program.

6. SoCal's notice procedure for imbalances provides appropriate flexibility for banking customers.

7. To provide banking customers with more than "best efforts" assurances of performance by the LDC is a worthwhile goal but not feasible for the pilot program.

8. The per-unit banking variable cost for the pilot program is determined from the average cost for all storage volumes

(whether customer-owned or LDC-owned) projected to be cycled during the pilot program.

9. No factor for uncollectibles should apply to banking reservation fees.

10. Gas banking service accounts should be in the name of the end-use customer. However, to the extent that the LDC allows aggregation by an agent (broker, supplier, or shipper) on behalf of the agent's end-use customers, the LDC should require the agent to comply with the LDC's rules for establishment of credit.

11. No preference is allowed the LDC's on-system noncore customers in the bidding for that LDC's banking service. However, consistent with the interutility transportation service, banking service to off-system customers should be curtailed before banking service to customers on the LDC's system.

12. Franchise fees will not be collected as part of the pilot program.

13. A noncore customer with multiple end-use priorities may designate, for the gas that it banks, the priority uses for which it is banking and the respective volumes for each use. The LDC will depend on these designations whenever it must allocate injection or withdrawal capacity among banking customers. Similar power to designate gas volumes by customers with multiple end-use priorities is provided in the transportation service rules.

14. In curtailing banking service to customers with the same end-use priority, the LDC should prorate such customers based upon their relative reservations of banking capacity.

<u>Conclusions of Law</u>

1. Gas banking tariffs during the pilot program should permit a nomination for injection at any time during the year.

2. The lead time for pilot program banking service nominations at the beginning of the month should be two days, except for withdrawal nominations during August, September, and

October, for which the LDCs may require a lead time of not less than four days before the beginning of the month.

3. During the pilot program, the following seasonal limitations on withdrawal nominations should be observed. Beginning August 1, 1989, PG&E and SoCal should permit withdrawal nominations by at least the UEG and cogeneration banking customers. If the size and number of gas banking accounts and the number of banking customers interested in off-season withdrawals would reasonably permit, the LDCs should accommodate all withdrawal nominations (that are otherwise in compliance with the banking service tariffs) commencing August 1.

4. The LDCs should be permitted to curtail banking services without prior written notice to the banking customer. However, the LDCs should make every effort to give prior actual notice of curtailment, including written notice where practicable.

5. Billing disputes arising from gas banking service should be handled under the LDCs' existing rules for dispute resolution.

6. The LDCs' banking tariffs should indicate that, upon Commission approval of standby service, the LDC may apply a standby charge whenever it chooses to deposit gas to a banking customer's account to bring that account within the 10% tolerance for imbalances.

7. The "make up" provision of D.89-02-034 should supersede SoCal's nonperformance capping rule for purposes of the gas banking pilot program, and so long as the "make up" provision continues in effect.

8. In order to permit timely implementation of the gas storage banking pilot program, this order should be made effective immediately.

ORDER

IT IS ORDERED that:

1. Decision (D.) 88-11-034 (Section IV.F, Finding of Fact 38, and Paragraph *51a. in Appendix E) is modified consistent with the discussion of overdeliveries in the foregoing opinion. Pacific Gas and Electric Company (PG&E) and Southern California Gas Company (SoCal) should amend their gas storage banking implementation plans for the pilot program, consistent with the foregoing findings and conclusions, and with the discussion in the foregoing opinion.

2. No later than March 6, 1989, PG&E and SoCal shall file tariff sheets, rules, and bidding procedures in accordance with the provisions of General Order 96-A, and consistent with D.88-11-034 (as modified by D.89-01-017 and by today's decision on applications for rehearing and petitions for modification of D.88-11-034) and with their respective gas storage banking implementation plans as amended pursuant to Ordering Paragraph 1.

This order is effective today.

Dated FEB 24 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY.

Victor Weisser, Executive Director